go to receive instruction—I suppose we all want the best teachers to be appointed. What would this House say if men who are not efficient, who are bad as teachers and whose qualification is poor, are appointed as teachers? The minimum qualification for a teacher's post is 'B. A.' But would not the House commend an appointment when a first class graduate who is a Brahmin is preferred to a third class graduate belonging to an unrepresented community? Similarly, there are posts where efficiency is very important, I mean where the minimum qualification that is prescribed in the Public Service Notification is not always the best thing for service in the State.

MR. A. J. JOHN (*Vaikam*): Is not Mr. P. J. Thomas a first class graduate?

MR. K. GEORGE (*Chief Secretary to Government*): I regret, Sir, that I cannot answer any question about any individual.

MR. K. I. JOSEPH (*Minachil* cum *Devicolam*): Do the Government follow the distinction between first class graduates and second or third class graduates?

MR. K. GEORGE (*Chief Secretary to Government*): That is the aim of the Government.

MR. K I. JOSEPH (*Minachil* cum *Devicolam*): But do they actually follow it?

MR. K. GEORGE (*Chief Secretary to Government*): To answer that, I must examine all the appointments made in the past years myself.

MR. K. I. JOSEPH (*Minachil* cum *Devicolam*): Is it the policy that the Government intend to follow in the future without any exception?

MR. K. GEORGE (*Chief Secretary to Government*): As I said, efficiency is the guiding test.

MR. K. I. JOSEPH (*Minachil* cum *Devicolam*): I mean the principle of making distinction between the first class, the second class and so on.

MR. K. GEORGE (*Chief Secretary to Government*): I spoke about it only as an illustration to show that efficiency is a very important consideration.

MR. K. I. JOSEPH (*Minachil* cum *Devicolam*): I wish to know from the Chief Secretary whether, in the future, the idea of the Government is to follow this policy of making a distinction between the first class, the second class and so on?

MR. K. GEORGE (*Chief Secretary to Government*): I did not say anything about the policy of the Government. I said that efficiency is a matter of paramount consideration for the service of the State.

MR. K. I. JOSEPH (*Minachil* cum *Devicolam*): What am I to understand from the Chief Secretary as regards my question about the policy of the Government in making a distinction in favour of the first class?

PRESIDENT: You are asking on a matter of detail. The Chief Secretary is now answering a resolution dealing with a large principle and, therefore, I say that your question is irrelevant.

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MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): What is the time-limit for the Chief Secretary to make his reply?

MR. K. GEORGE (*Chief Secretary to Government*): I want only a few more minutes.

I need not repeat once more what the position of the Government is in this matter. As I said in my speech on the last occasion, the Government's attitude in this matter is one of sympathy. They will try to see as far as possible that better representation is given to the communities which are said to be unrepresented or inadequately represented. They cannot accept the position that all communities should be equally represented in the public service or proportionately represented. It is not possible to accept a position like that.

There is one more point. From his speech I understand that the mover himself is in a way satisfied with the principle laid down by the Government. His complaint mainly was that this is not being followed. As to that, as I said once before, the Government are regularly watching the making of appointments by heads of departments and returns are being received from the various heads of departments regarding the appointments made by them. They are being scrutinised and heads of departments are asked to explain any cases of undue preference shown by them.

MR. K. K. THOMAS (*Kottayam*): May I know from the member whether the promise of the Land Revenue Commissioner in regard to the recruitment of *Proverthikars* is acted upon?

MR. G. PARAMESVARAN PILLAI (*Neyyattinkara*): Is that question relevant, Sir?

MR. K. GEORGE (*Chief Secretary to Government*): That is a question which the Land Revenue Commissioner should answer.

On these grounds, I oppose the resolution.

MR. TARIATU KUNJITOMMAN (*Muvattupuzha cum Todupuzha*): ഞാൻ പ്രമേയത്തെ പിൻവലിക്കുന്നു.

PRESIDENT: Does the House permit the resolution to be withdrawn?

MR. A. K. PILLAI (*Karunagapalli*): I object to leave being granted to the withdrawal of the resolution. Sir, may I explain my position?

PRESIDENT: No. Mr. Kunjitomman, I see that objection has been raised to your withdrawing the resolution and I quite agree with that, because a great deal of time has been taken and a great deal of feeling has been stirred and, possibly, hopes raised in various quarters for the numerous unemployed of various communities by your resolution. I think it is imperative in the interests of this House and the convention that it may build up in regard to the general well-being of the country and its component communities that a definite decision be arrived at on your resolution. (Mr. G. Paramesvaran Pillai: *Hear, hear.*)

The question whether the member had the leave of the House to withdraw the resolution was put to the vote and lost.

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The resolution was then put to the vote of the House and lost, 9 voting *for* the resolution and 30 *against* it.

MR. A. K. PILLAI (*Karunagapalli*): I demand a poll.

A poll was taken with the following result :

AYES—9.

1. Mr. P. Habeeb Mahomed.	6. Mr. X. G. Lopez.
2. ,, A. J. John.	7. ,, R. Padmanabhan.
3. ,, K. I. Joseph.	8. ,, G. Raman Menon.
4. ,, N. Kumaran.	9. ,, M. Sivatanu Pillai.
5. ,, Tariatu Kunjitomman.	

NOES—30.

1. Mr. I. C. Chacko.	17. Mr. G. Paramesvaran Pillai.
2. ,, R. Dhanukoti Pillai.	18. ,, Kayyalam Paramesvaran Pillai.
3. ,, K. George.	19. Mrs. M. Poonen Lukose.
4. ,, C. Kerala Varma Koil Tampuran.	20. Mr. K. N. Ramasubba Aiyar.
5. ,, C. P. Kochukunju Pillai.	21. ,, T. P. Ramasubba Aiyar.
6. ,, A. K. Pillai.	22. ,, O. S. Ramaswami Aiyar.
7. ,, T. Kumara Pillai.	23. Rao Bahadur K. V. Rangaswami Aiyangar.
8. ,, R. Krishna Pillai.	24. Mr. K. Sivarama Panikkar.
9. Dr. N. Kunjan Pillai.	25. ,, S. Subrahmanya Karayalar.
10. Mr. L. A. Lampard.	26. ,, M. Subrahmanya Pillai.
11. ,, K. Madhavan Pillai.	27. ,, C. N. Tuppan Namputiri.
12. ,, G. Narayana Pillai.	28. ,, J. Stephenson.
13. ,, Kallur Narayana Pillai.	29. ,, V. S. Subrahmanya Aiyar.
14. ,, P. K. Narayana Pillai.	30 ,, A. J. Van Ross.
15. ,, K. P. Nilakanta Pillai.	
16. ,, M. N. Pillai.	

NEUTRALS—7.

1. Mr. K. C. Mammen Mappillai.	4. Mr. S. Piraviperumal Pillai.
2. ,, Changanacherry K. Paramesvaran Pillai.	5. ,, C. P. Tarakan.
3. ,, Mr. Paul Daniel	6. ,, C. P. Thomas.
	7. ,, K. K. Thomas.

The resolution was accordingly declared lost.

The Council adjourned for lunch at 2-30 P. M. and reassembled at 3-30 P. M. with the Deputy President in the chair.

Reduction of rates of Anchal Cards and Envelopes.

MR. M. SIVATANU PILLAI (*Tovala*): Sir, I beg to move the following resolution :—

This Council recommends to the Government that they may be pleased to reduce the rates of Anchal cards and envelopes to four and eight cash, respectively.

Sir, the Anchal Department was made a commercial department in the year 1095 and, from the beginning of 1096, it came to be worked

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[Mr. M. Sivatanu Pillai.]

as a commercial department. If I recollect correctly, at the time when the proposal was made before the then Council, *i. e.*, before Regulation II of 1097 came into effect, it was stoutly opposed by the non-official section of that House. The main ground for their opposition was that this department, affecting as it does all the subjects of the State, without any single exception, it should be worked by the Government as any other department which cannot be avoided and hence it should not be treated as a commercial department. Secondly, if I remember correct, the arguments advanced by the member, who fortunately happens to be here again as the member for Neyyattinkarai, my friend Mr. G. Paramesvaran Pillai, made out a clear case showing that the department was not losing, but, on the other hand, it was almost making a very successful attempt to support itself. If I may be permitted to refer to a distinguished member who now sits, unfortunately for me, on the other side this time, I mean Mr. Kayyalam Paramesvaran Pillai, I may say that he stoutly opposed the increase in the price for Anchal cards and stamps then. But then the House passed it over the opposition from the non-official section. Sir, it may not be irrelevant if I say that we must also move with the outside world. In England, it is a matter of common knowledge that Penny Post system was tried and found wanting and so it was rejected. Again, in British India, a very earnest and serious attempt was made even in the last session of the Legislative Assembly to reduce the postal rates though the attempt did not succeed for reasons not bearing on the merits of the question. Sir, if all these facts are taken into consideration, there is evidently a very, very *prima facie* case for reducing the rates of Anchal cards and stamps to the original rates of four cash and eight cash, respectively. Perhaps, it may be argued from the Treasury Benches that it would affect the revenues of the State. Of course, every measure which seeks to reduce the tax must necessarily affect the revenues of the State. The attitude of the Government, so far as this department is concerned, is that as it affects all the sections of the public it should be worked as a commercial department. Now, if you just analyse the financial aspect of this question, you will find that in the year 1096 there was a deficit according to the administration report. In the year 1097 also it was the same case. The same conditions prevailed during 1098 and 1099 and, all on a sudden, in the year 1100, the revenue jumped up and gave a surplus of Rs. 18,000. During the year 1101, it came to Rs. 12,000. Now, Sir, an explanation for these rises in the revenue could not be found in the administration report; nor was there any attempt made on the part of the Government to explain that. If you will permit me to explain that position, Sir, it is due mainly to the larger circulation and use made by the public at large of these stamps and cards. These deficits were explained by the Government as being due to charging to the accounts of the Anchal Department the charges of stamps as well as stationery supplied to the Department. The Stationery Department has got to serve every department in the State and if the Government charge the Anchal

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Department for the stationery supplied to it, my suggestion is that the Stationery Department should be made a self-supporting department. It is true, and the House is also aware, that there was a repeated disapproval on the part of this side of the House as to the way in which the Stationery Department conducts itself. Somehow or other, by the charges of stationery supplied to the department and the charges on stamps and services, the Government make the people understand that this department is not self-supporting. Well, Sir, if that is the policy of the Government in regard to a department supporting itself and if this principle were to be extended and pushed to the logical conclusion, every department must be made self-supporting. That is not at all a very desirable thing. Now, Sir, during 1101, the Anchal service has gained more than Rs. 12,000. For, as it was made a little bit clear by means of an interpellation, people do not always take to writing letters because they have not the confidence that the letters they send will reach the addressees and so some people unnecessarily take to registering letters thereby adding to the revenue. Further, if we refer to the administration report referring to the amount of stamps used by the Government, on the whole, you will find a fairly big sum. If you compare the number of stamps used by the Government and the number sold to the public at large, you will find that a very respectable proportion of the stamps is used by the public at large. These will go to show that there is not only the cost of the stamps and cards sold by this department, but there are other charges as services which make the department poor.

Now, Sir, after the increase of rates, what do we find? We find that the enhanced rate on stamps or on envelopes is not serving the purpose for which it is intended and people have sometimes to spend three cash more, at least occasionally, to buy a card. Anyhow, this was not the state of affairs before the department came to be worked on a commercial basis. Now, Sir, let us see whether there is any justification to revise and restore the old rates. As we are well aware, communications have very much improved after the introduction of automobiles. Originally, the department used to give employment for runners between stations covering about six or seven miles. Now, we know that the Government are transacting the whole business by motor cars, and as is shown by the administration report itself, one-third of the portion is being covered by automobiles. By such a step, we certainly work the department at a lower expenditure than formerly. I believe that is the existing situation. Secondly, I would find a good number of friends to support my point of view, that is to say, the lesser the rate, the greater would be the requirement by the public at large for the use of the Anchal cards and covers. If the rates are reduced to four cash and eight cash, I believe people will also find the price not only less, but at the same time will not have the nuisance, as it is now, of carrying with them enough one cash pieces. It is a matter of common knowledge that cash has fallen into disuse and the smallest coin found in large circulation is four cash and not one cash. Imagine a poor man taking one chackram and going to an Anchal Office to get a card. He goes there and he wants

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[Mr. M. Sivatanu Pillai.]

only one card and a chuckram is given, and he gets only a card and eight cash, and, if the vendor has got some pieces of cash, then only he will get the balance. Otherwise, he will simply be asked to go and ask the vendor, on some other occasion, for the balance when one cash pieces would be available.

For the rich people, no doubt, this cash coin is a nuisance; and so far as the poor people are concerned, it is a hard lot. Although the cash is the smallest current coin, that is a great thing for them. I am sure all of us have had occasion to see a large number of beggars going about the streets for this cash itself. Therefore, from the point of view of the poor people, it will certainly be a great thing if the price of cards and envelopes is reduced by a cash. Both from the point of view of the rich as well as from that of the poor, this reduction of the price of Anchal cards and envelopes from five cash and ten cash to four and eight cash is sure to be felt as a convenience and a boon. Now, Sir, our State has got the reputation for high literacy and therefore one would naturally expect that the people would take to letter writing to a greater extent than the people in British India where there is not so much of literacy as here. Therefore, naturally, there would be wider demand if the rates are lowered. Perhaps, it may be argued on the other side that there is absolutely no comparison between the rates here and the rates in British India. It may be stated that while the card and envelope cost about fifteen cash and one chackram twelve cash, respectively, in British India, they cost only five cash and ten cash here. But the conditions in British India and in Travancore are not similar. There, a post card leaves Cape Comorin and goes direct even to the most distant part of the country as Peshawar. Besides, there is absolutely no comparison between the salaries of the officers of the Postal Department and the officers of the Anchal Department. Here the Anchal master gets only about Rs. 10 to Rs. 30 or Rs. 50, while in the Postal Department the Superintendent or the Inspector gets nearly as much as the District Magistrate here. Moreover, even in British India, there was agitation in the Legislative Assembly for the reduction of the prices of cards and envelopes to quarter of an anna and half an anna. That clearly shows that there is no justification for it. Besides, as I have already stated, even at the very outset, there was very strong opposition to this increase, from four and eight cash to five and ten cash, respectively, from a very responsible section of the non-official public of our country. If, as a result of the reduction of the rates to four and eight cash, there is any reduction in the revenue, I am sure it will not amount to more than a few thousand rupees. Probably, the surplus may be erased; and as I have already stated, the Government should not run the Anchal Department on a commercial basis. After all, the Government have been getting this surplus only during the last two years and there is no guarantee that this state of affairs will continue.

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It may be argued from the other side that the proposition cannot be accepted since it would affect the revenues of the State. But, after all, the surpluses ought to be utilised to the benefit of the people at large; and if at all there is any Government department which benefits all classes of people, without any distinction whatsoever, it is the Anchal Department. Therefore, the use of the Anchal Department should be made easily accessible to all classes of people. At the same time, it is a department from which the Government ought not to expect any gain whatsoever.

It may also be stated by the other side that the employees of the Anchal Department are very poorly paid at present and that it would be absolutely impossible to give them any increment if the prices of cards and envelopes are reduced. Sir, in the first place, it is only in contemplation—

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Does the member think that the reduction of the price of cards and envelopes would reduce the income of the department?

MR. M. SIVATANU PILLAI (*Iovala*): Certainly not. As I have already stated, if the price is reduced, there will be wider demand; and if at all there is any reduction in the income, it will not be more than Rs. 12,000, namely, the surplus that the department is able to show at present.

Again, Sir, when the Government seriously take up the question of increasing the pay of the employees of the Anchal Department, then it will be time for the Government to come to this House for the necessary grant and *then* it would certainly be the duty of the members on this side of the House to find out the means to meet the expenditure likely to be caused by the increase in the pay of the poorly paid employees of the Anchal Department.

With these few words, Sir, I commend this resolution to the hearty acceptance of this House.

MR. M. N. PILLAI (*Trivandrum*): I second the resolution of Mr. Sivatanu Pillai.

MR. G. RAMAN MENON (*Mavelikara* cum *Kartikapalli*): Sir, I beg to support the motion brought forward by Mr. Sivatanu Pillai.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Sir, I rise to a point of order. Mr. Raman Menon is not in his seat. (*Laughter.*)

MR. G. RAMAN MENON (*Mavelikara* cum *Kartikapalli*): The financial transactions of the Government for the year 1101 leaves a balance of about twenty three and a half lakhs of rupees after meeting all the expenses of the Government. Such being the case, that balance or at least a portion of it, a very good portion of it, should be utilised for lessening the burden of taxation on the people. It is a well-recognised principle of political economy that the Government should not take from the people anything more than what is necessary for meeting the expenses, the legitimate expenses of the Government. But it may sometimes be urged that the people, when they are in affluent circumstances, will not

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[Mr. G. Raman Menon.]

give any money to the Government even if the Government are in straits for money; so that whatever sums Government can get from the people under the recognised income must be reserved and taken care of by the Government. Now, Sir, that is not the proper attitude. It is incorrect, because all the money that the Government needs must come from the people. There is no other source of income for the Government. If the Government are in straits at any time, they generally impose additional taxes on the people and the people have to pay them. So, that attitude, which regards the people's welfare and wealth and the Government's welfare and wealth as separate and the interests of the two as separate, is quite unacceptable. The Government should take only the amount of money that is necessary for their expenses. If at any time it is found that the Government are in straits for meeting their expenses, they can freely impose additional taxes, and as a matter of fact, they generally do so. They do not in such times get money by engaging themselves in trade or commerce. They get it only by imposing additional burden on the people. Therefore, if in any particular year or in any particular period of years the Government are in affluent circumstances and have balances, that money should be utilised for lessening the burden of taxation on the people.

Now, this particular proposition is one of the legitimate ways in which the Government can give effect to the very acceptable principle that I just now enunciated. Some years ago, if I remember right, the Anchal Department was working at a loss. It is only during the last two or three years that there has been no loss. On the other hand, there was surplus. That is also another reason why the Government need not stick to the increased rates. Even if it is found that the Anchal Department will, as a result of the proposed reduction, have to work at a loss, there is no harm in the Government accepting this proposition; because they have, as I pointed out at the outset, enough funds in hand. Any reduction of taxation should be such as to benefit as large a body of people as possible and this is a case in which that condition is very well fulfilled. The tax on these envelopes and cards which are used for correspondence between people can be said to be a tax on learning. That is how high authorities have pronounced upon this question.

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): Would the member have absolutely free service?

MR. G. RAMAN MENON (*Mavelikara* cum *Kartikapalli*): No, I am not at present pressing that point. My point is that it should be as light as possible, as light as the Government can afford to have it. Under the present circumstances, the proposed reduction is only very moderate. It may cause a decrease in Government revenue of only about a few thousands of rupees when there is a balance of over 23½ lakhs of rupees. It is only a very small thing for the Government and it will be very much welcomed by the people. For these reasons, I heartily support the resolution.

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MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): Sir, I beg to oppose the resolution that has been moved by Mr. Sivatanu Pillai: The resolution before the House has been put forward on the grounds that the Anchal Department should not be treated as a commercial department at all, that it is a department which serves the public and, as far as possible, the Government should find all the money required for its expenditure, that there should be no tax on learning, as the previous speaker observed. Well, Sir, after deliberation and, I believe, with the consent of the legislature of the time, the Government made up their mind to treat the Anchal Department as a commercial department. In fact, everywhere it is the principle that where a department of Government does a service for the public, the public who avail themselves of the service should pay for the service rendered. I quite agree that we should not seek to get any large surplus from the Anchal Department. But is that the case today? My friend, the mover, who has studied the figures for the last several years carefully, has pointed out that the surplus last year was only Rs. 12,000. Even that is a fall from the previous year's surplus.

Before proceeding further, I would like to place before this House certain facts. In the first place, the rates in the Anchal Department are the lowest, I believe, in the whole world. I will read our actual rates, the maxima rates permitted under the Anchal Regulation and the Cochin rates, under a few items. The Regulation authorises the Government to fix a rate of up to 6 cash per card, but we are now having 5 cash. In fact, even when the House agreed to the fixing of the rate at 6 cash, the Government said that it was not their intention to raise the rate to the maximum. Even today, we have not done so. Our object is not to derive any large revenue from the Anchal Department.

MR. K. MADHAVAN PILLAI (*Trivandrum* cum *Neduvangad*): What is the minimum rate?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): There is no minimum, only maximum is fixed. For cards, the corresponding rate in British India is 14¼ cash. In justification of the low rates, it has been stated that the salaries obtaining in the Anchal Department are very low, that in the British Postal Department the rates of salaries are very high and therefore the Postal Department is justified in having high rates for their cards and stamps. But I hope members will not say that our rates should be lower than the rates obtaining in *Cochin*. While our Anchal card is sold at 5 cash, in Cochin, the rate is 9½ cash. The rate for covers is higher in proportion.

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara* cum *Kunnattur*): Is there a surplus in Cochin?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): I have not the figures with me. But I presume there also it is treated as a quasi-commercial department and they must have a small surplus.

MR. N. KUMARAN (*Nominated*): What about British India? Have they got a surplus? If so what are the figures?

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MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): I have not got the latest figures and it will not be interesting to the House if I read the details from an old report. But I can say that they have a surplus.

MR. N. KUMARAN (*Nominated*): Is the member aware that taxation per head of population in British India is much higher than here?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): We cannot talk of the Anchal rates as tax. As I have already said, we are paying for service rendered. If we take this as tax and ask for further and further reduction, we can have a happy state of affairs when we can send our letters by the post without having to affix any stamps whatever.

There may be some inconvenience caused by fixing the rate at five cash for a card and ten cash for an envelope. But, luckily, we have the advantage of having the smallest coin in our one cash pieces. I may also say that the difficulty of having to carry single cash pieces can also be overcome in another way. For example, if you take 1¼ chackram to the Anchal Office, you can buy four Anchal cards or two envelopes. But I admit the inconvenience is there and, at the same time, I must say it is an inconvenience which can be easily overcome by having a sort of compensating addition in the rate for the reduction in the rate for cards. But the mover is particular only about having the reduction. The question is whether this House is for having the Anchal service as a self-supporting service.

MR. K. K. THOMAS (*Kottayam*): May I know how reduction in rates affects revenue?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): If the mover's proposition is accepted, there will be an all round reduction of 20 per cent. in the Anchal cards and stamps. That will mean that instead of Rs. 12,000 surplus, it will be Rs. 23,000 *minus*.

MR. K. K. THOMAS (*Kottayam*): Is it not likely that the revenue will increase if the rates of cards and stamps are lowered?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): The price is already so small that it will not make any large difference in the sale.

MR. K. K. THOMAS (*Kottayam*): I think it will make.

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): I think it will not. The schedule of rates is like this. For 1 tola weight, 10 cash; up to 5 tolas, 1¼ chackrams; for every additional 5 tolas or part thereof, 1¼ chackrams. Now Sir, if you reduce the five and 10 cash rate to 8 cash it would be unjustifiable to keep the present rates for the additional tola weights. There should be some corresponding decreases in these rates. Otherwise, it will not be satisfactory. Really, if you strike at this 10 cash and make it 8 cash, you should logically have an all round reduction of 20 per cent. Then what will you do to meet the deficit of the department whose object is to do a specific service?

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MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara* cum *Kunnattur*) : What is the actual cost of a card?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*) : It may be varying. It will be a small fraction below 4 cash.

MR. P. K. NARAYANA PILLAI (*Amalapuzha*) : On whose authority it is, please?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*) : I find that a question was asked and an answer given in the previous Council.

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara* cum *Kunnattur*) : Have you no account in the office as to the actual cost of the card, the number of cards printed, etc ?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*) : We shall have to work out the figure.

The first principle is whether this department is going to be treated as a department which should be run on purely commercial lines. I do not want the House to imagine by commercial that we should make any big profit out of it. We have only Rs. 12,000 surplus and this itself is less than what we had in the previous year.

As regards the pay of the Anchal Masters, I don't think it would always stand exactly as it does now. I am simply mentioning to the House--I do not say what the Government propose to do—that the Anchal Superintendent has been pressing for some small increase for his men.

MR. K. MADHAVAN PILLAI (*Trivandrum* cum *Neduvangad*) : Did not the Salaries Committee go into the question ?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*) : They might have.

I am only saying that the House will have to be called upon to vote a little more money under this head if the rates are reduced. This Rs. 12,000 is not such a big sum that you should deliberately cut it down now. It was said that the Government get by increased taxation revenue which they could spend away. The items under Anchal Department are votable items, unlike Devaswom and Military. It is quite open to the Council, if and when they notice that the cost of any branch of Anchal service is excessive, to signify their opinion by making suitable alterations. The Government will themselves be glad to correct any inequalities obtaining in the Anchal rates. But it is not possible for the Government to accept the resolution as it has been put forward, for this reason that it would involve a deficit in the departmental budget.

MR. K. K. THOMAS (*Kottayam*) : In the olden days we had a system of boy peons who were paid two or three rupees for taking Anchal communications. Could we not go back to the old system ?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*) : It is a matter of detail, I cannot answer that now.

MR. K. K. THOMAS (*Kottayam*) : If the resolution is accepted, what will be the probable reduction ?

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DEPUTY PRESIDENT: He has said that instead of a surplus of Rs. 12,000 there will be a deficit of Rs. 23,000. Does anybody wish to offer any remarks?

MR. A. K PILLAI (*Karunagapalli*): Sir, I just want to say a word. The member who spoke on the other side said that the Anchal Department is a commercial department. We do not want to confuse this with the idea of a profiteering concern. Let us not try to make a profit out of it.

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): I have already stated that the Government do not try to make a profit out of it. If the Government did so, then this House can say that it should not be so worked.

MR. A. K. PILLAI (*Karunagapalli*): I only want to emphasise this aspect of the question.

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): What I wished to emphasise was that we will have to come to this House for a larger sum if the Anchal Department were a losing concern.

MR. A. K. PILLAI (*Karunagapalli*): In answer to a question, Mr. Ramasubba Aiyar was not able to give the actual cost of printing a card.

DEPUTY PRESIDENT: He gave that information. He said that the actual cost of printing a card is something less than 4 cash.

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): I wish to give a word of personal explanation since it is said that I have not given some information vitally affecting the issue. I have said that the cost of a card is a little under 4 cash, and that this is being sold at 5 cash. If the cost of the same is excessive, it is open to the House to call for particulars and they could be fully satisfied that the Anchal Masters and the peons are really doing the proper service for the money. We should not confuse with the main issue before the House, the question whether proper service is rendered for the money. The House should not confuse this with the question whether the Anchal budget should be a balanced budget or should be a budget of expenditure independent of the revenue.

MR. A. K. PILLAI (*Karunagapalli*): Taking that position as the basis of argument, let me say that by reducing the price of the cards you will perhaps be increasing the output on the whole, I mean, you will be increasing the actual income on the whole. I think that might be attempted with advantage. If you reduce the price to four cash and eight cash, more people will be induced to purchase.

DEPUTY PRESIDENT: He says the reduction is so small that there will not be an appreciable increase.

MR. A. K. PILLAI (*Karunagapalli*): For this statement, I take inspiration from the suggestion made by an honourable member in the House of Commons when they were advocating for a penny stamp and a penny cover. I think Englishmen are very shrewd at commerce.

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And their suggestion has been found to be in agreement with the principle of increased return. I only hope that this suggestion will be considered by the member on the other side of the House. It also saves a good deal of trouble on the part of the people, for, as it is, they have now to take one cash and two cash with them. The member may say that the unit of one cash is already in existence. But it is very difficult for people always to carry one cash. So, instead of paying five cash, they will pay eight cash. Thus they will lose three cash.

MR. C. P. TARAKAN (*Kunnatnad*): I move that the question be now put.

DEPUTY PRESIDENT: That motion is not necessary inasmuch as there is no other speaker.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): I am prepared to speak.

DEPUTY PRESIDENT: Go on. You have forty minutes more.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Sir, this question has to be decided upon on a consideration of certain allied questions. The learned Financial Secretary submitted to the House that the Anchal Department is a commercial department. At the same time, he said the usual characteristic of commerce is absent there, that is a view to make profit. So it is a commercial department of a very peculiar type where they are adhering to a self-denying ordinance as regards profits. He was questioned with respect to the actual cost of a card, stamp and an envelope. He said something with respect to the card which information he says he gained from a previous discussion in this House. As Financial Secretary, if he had figures with him, he would have done well to throw better light upon the question raised by my friend Mr. Kochukunju Pillai. Anyhow, the information supplied to the House leads one to the conclusion that the reduction of the price of a card from five cash to four cash would not actually hit the Government because the cost price is less than four cash.

DEPUTY PRESIDENT: The cost of transport has not been included.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): I will come to the question of transport. If that is the case, the actual cost of a stamp would be much less. How the Government are able to sel an envelope at the same rate as a stamp is a mystery to me. Some distinction ought to have been made there. They have not done that. Though it is said that the Anchal Department is a commercial department, there is another peculiarity attached to this sort of commerce The Anchal Regulation prohibits the running of any enterprise i ke the Anchal by any citizen of the State.

DEPUTY PRESIDENT: It is a monopoly.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): It is a monopoly. So, if the people of the State consider that they can run an anchal service at a lower rate, they are not at liberty to do that because of the legislative

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[P. K. Narayana Pillai.]

enactment covering the Anchal transactions. That aspect of the matter has to be taken into consideration in solving the question. Now, in the nature of the easy communication existing between parts of the State, probably a private person will be in a position to run a sort of Anchal at four cash and eight cash, respectively. If that is possible, the State would not be put to any difficulty and loss because of their peculiar method of doing business. The State must therefore take into consideration that a restraint is placed upon the ordinary citizen. The motion of Mr. Sivatanu Pillai, I think, is based upon a conscious consideration that it is not possible for the ordinary citizen to run the Anchal.

That is one aspect of the question. The citizen is not at liberty to get a profit or to save the Government much of their worry. But if you are unable to make a profit and if you do not allow others to run it, it is an unfortunate position.

There is another matter which has to be considered at this juncture. The four and eight cash rates were fixed when the revenue of the State was derived from limited sources. Since the raising of the rate to five cash and ten cash, other revenue Regulations have been brought into force, for example, there is the Income Tax Regulation. There are various municipalities who tax the citizens; there are tolls; waste lands have been registered and land revenue has been stimulated; Vembanad *Kayal* has been registered away to a considerable extent. In all these ways, the subjects of the State are being called upon to augment the public revenues. All the same, this rate is being adhered to.

(At 4-30 P. M. the Dewan took the chair.)

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): I am submitting that the rates settled at a time when these sources of revenue did not exist may be seen to continue unabated. Therefore, this question is liable to be considered in the light of the present situation and especially when it now seems clear that, during the past two years, the department was making a surplus, why not the Government at least in a moment of joy allow the department to reduce the rates? If a reduction of the rate is found to be a loss in the light of subsequent experiment, then the Government may increase it. But is it not an experiment worth the trial? That is the question which I would request my learned friend the Financial Secretary to consider. As some other friends on this side of the House said, I am not a very clever hand in the matter of dealing with figures and it is with something like a sense of trepidation that I approach the question. Therefore, without making up my mind one way or the other, I would request my friend to consider the question in the light of these observations. With these observations, I resume my seat.

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MR. M. SIVATANU PILLAI (*Tovala*) : Sir, I have not got much to say by way of reply. As was said by Mr. Ramasubba Aiyar, the financial effect of accepting the resolution will be that the Government will get about Rs. 23,000 less than what they have now got through this Department. In other words, as a result of this resolution being given effect to by the Government, they will get a sum of Rs. 11,000 less than the sum required to make the department self-supporting; that is, a deficit of Rs. 11,000 It is, after all, a paltry sum for the Government.

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*) : Sir, the member is not quite correct. I said that a surplus of Rs. 12,000 will be converted into a deficit of Rs. 23,000. There will thus be a deficit of Rs. 35,000.

MR. M. SIVATANU PILLAI (*Tovala*) : Though I may not be correct with mathematical accuracy, I will say there will be a deficit of Rs. 11,000 and odd, calculating, according to the figures supplied to me, the price of cards and stamps sold to the public at large, excluding stamps used for public service. But, after all, how is the deficit caused? It is only by reduction of one cash from card and two cash from envelope. If you see how this difference affects the people at large, you will find that it is most useful to them without exception, in point of its utility to the public at large. Considering the present juncture, as Mr. P. K. Narayana Pillai pointed out, there is now Rs. 23 lakhs surplus revenue. Is it too much to ask to give up this amount in this matter which affects all the people including the poor? It may not affect very much the richer section. Even as regards them, I have heard it said that it is a matter of nuisance to go and get Anchal stamps and cards at the present rate and that they do not get any balance cash and, as I said before, as the cash happens to be the smallest coin, it has fallen into disuse, and people do not pay much attention to the currency of cash, except perhaps poor people who regard this cash as being useful to them, particularly those who go about begging. As I myself anticipated, the Financial Secretary said that the employees of the Anchal Department are very poorly paid. I concede that point. But it will be time enough when that matter is brought before this House to consider it in greater detail. Even if that be an obstacle to reduce the rates from 5 to 4 and 10 to 8 cash, I would suggest another policy to make up for the contemplated increment of salary to the employees of the Anchal Department. We can as well introduce Anchal telegraphic system by making arrangements with the Telegraphic Department outside and paying them 12 annas for getting despatch and taking money order commission of 2 annas for ten rupees or so. That will go a great way to make up for the contemplated increased salary to the employees of the Anchal Department. After all, what is the financial effect? It will come to a deficit of Rs. 12,000. It will not be very irrelevant if I say that Kuzhitturai toll receipts have increased from Rs. 36,000 to Rs. 50,000. This deficit in the Anchal Department can very well be made up by the receipts in the toll-gates. We should not look at one side of the picture alone. People think that this reduction in the rates of cards and envelopes should be taken side by side with the

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[Mr. M. Sivatanu Pillai.]

long catalogue of recent methods of tapping the sources of revenue both direct and indirect, as Municipal taxes and toll-gate receipts. Certainly, the Government cannot have any pretence of justification to say boldly that this will affect the revenue of the State if this resolution is given effect to. Taking into consideration this year's surplus, taking into consideration that a cash is the smallest coin in the State and taking into consideration that the department is a very useful one to the people at large, without a single exception, I appeal to the Government at least to see that the present rates are reduced at least to the former rates of 4 and 8 cash. With these words, I press the resolution.

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): Sir, I shall not traverse the ground which has been already traversed by me, but I shall content myself with speaking on a few observations made by certain members. I shall summarise very briefly the arguments against the acceptance of the proposition as it has been brought forward by the mover of the resolution. One of the speakers said that we have now had a very large surplus and that we could distribute that surplus by reducing the Anchal rates, irrespective of whether the service is self-supporting or not. As I said previously, the first point about the Anchal service is whether this House desires the Government to go back upon the principle which has been deliberately accepted and which is in force, namely, that the service should be self-supporting. When I used the words 'commercial service' I was pulled up and asked: "How do you call it a commercial department? You hold a monopoly. Have you passed a self-denying ordinance so that you would not take away the increase of revenue before imposing the maximum Anchal rate?" Well, Sir, to be more accurate, I should have called it a *quasi*-commercial department. I say that the object of the Government was not to tax the people as much as possible and to take as much money as possible. What I mean by a commercial department, rather a *quasi*-commercial department, is that we do not want the department to give us a *minus* result at the end of the year, compelling us to come to the House to find money for running the service.

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara* cum *Kunnattur*): May I know whether the Government are prepared to come to a compromise by reducing the price of one of the items, either cards or envelopes?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): Well, Sir, the Government will be certainly very happy to consider any proposition particularly to take away the inconvenience of handling the small cash which has been mentioned to this House, provided the revenue will not be very seriously affected one way or the other. I will proceed to answer the other points. Now, Sir, as regards monopoly, I would earnestly ask the House to seriously consider whether there is anything in the argument that *anyone* can run the Anchal service? Would the public have the confidence which they have in the department? After all, what is a *public service*? A public service is a service where all the members of the public take part. It is a supposed

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distinction that the Government are pulling one way and perhaps the interest of the people lies another way; that is responsible for the criticism that the Government are holding the monopoly for this department and do not logically allow other people to compete with them, before stating that they cannot reduce the rates. Then, Sir, Mr. A. K. Pillai observed: "If you reduce the rate, can we not stimulate an increased growth of revenue?" Sir, there is a limit to these things. I believe it is admitted that four and five cash are the smallest rates in the whole world. I hope it will not be considered such a high rate pressing so heavily upon the people that they are worrying so much about. I have pointed out that the rates in British India are more than double and that even the rates in Cochin are fifty per cent. more than those in Travancore. Whatever may be the rate in British India, we must at least go by the Cochin rates. You cannot complain that the Cochin rate is high.

MR. A. K. PILLAI (*Karunagapalli*): I suppose that as the difference between four and five cash is so insignificant, the Government can accept that proposition?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): It is insignificant for the man who buys the card, but it is not insignificant when we take the total figure into consideration. As I have already said, it is not the object of the Government to make a substantial profit out of this.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Will it not be counteracted if registration charges are raised from 3 1/2 to 4 chackrams?

MR. K N. RAMASUBBA AIYAR (*Financial Secretary to Government*): It may be in a manner possible to re-adjust the rates, but I cannot say that I have considered all the aspects of the re-adjustment. If the motion is only for the reduction of five cash to four cash and ten cash to eight cash, naturally, we shall be faced with a proportionate deficit. But we do not want to have that deficit. Sir, one more point with regard to our general surplus. We had certainly a surplus, a very good surplus, but I hope that this House does not take it that every year the Government are going to have such a large surplus, so that it will be a matter of no moment to ignore a deficit in a commercial department. The House should not be carried away with any such idea.

MR. K. MADHAVAN PILLAI (*Trivandrum* cum *Neduvangad*): What if you try for a year?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*) What is the use of experimenting? We are certainly going to have a deficit. We can as well reduce the tax in some other directions.

MR. K. MADHAVAN PILLAI (*Trivandrum* cum *Neduvangad*): Since you had surplus for the last two years, why not you reduce the rate?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): We have had a deficit for five years. Taking the figures for the last five years, I find that there has been a *minus* figure of Rs. 22,000 per annum instead of a surplus. In fact, we advanced to the Anchal Department for the last five years Rs. 22,000 per annum as an average

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[Mr. K. N. Ramasubba Aiyar.]

excluding interest on capital. Then, Sir, one more point has been directed against the Financial Secretary and that is that he is not able to give with accuracy the actual cost of manufacturing cards, covers and stamps. I confess I did not come prepared with sufficient data to answer that particular question I thought the House would take the figures in regard to the amount spent on manufacturing cards, running the service, etc., as representing the proper standard on which this service could be run. As I said to the House, if they considered that the service was more costly than it had a right to be, it would be open to them to express their views about it at the proper time. But on the assumption that the expenditure is not unduly high, the problem to be faced is whether you are going to have a surplus or a deficit. I do not want that there should be a clouding of the real issue before the House. I have already said it might be possible for the Government to make a re-adjustment and to accept a re-adjustment which would do away with the troublesome one cash pieces when buying Anchal cards, provided that the total revenue is not seriously affected.

MR. M. SIVATANU PILLAI (*Tovala*): May I know what the deficit will come to if the rate of the anchal card alone is reduced from 5 cash to 4 instead of reducing that on the covers and stamps?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): It might not be very much. It might only be a few thousand rupees; it might be anything between Rs. 5,000 and Rs. 6,000.

MR. M. SIVATANU PILLAI (*Tovala*): Will the Government be pleased to reduce the rate of the cards while retaining the rates of the envelopes and stamps?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): Sir, even in that case, the inconvenience of these single cash pieces will remain. Is it worth while to remedy in one direction without doing so in the other direction, especially when it is for a trifling amount and when it is not pressing heavily on the people?

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara* cum *Kunnattur*): May I inform the Financial Secretary that the inconvenience caused by the cash pieces is very great and that very often the balance in cash is not given in the Anchal offices?

MR. K. N. RAMASUBBA AIYAR (*Financial Secretary to Government*): I do not agree with the member. I thank him for the question because it enables me to make an observation regarding the step that has been taken to prevent any possible evil that may occur. Stringent circulars have been issued by the Anchal Superintendent to all the Anchal Offices to see that the prescribed quantity of small change is kept in every office. I can only assure the House that we are doing whatever we can in the matter. I satisfied myself in regard to this as soon as I saw this resolution tabled and I made personal enquiries and I can say that, whenever the Anchal Superintendent goes on circuit, he is very particular to see whether the circular is being followed and whether sufficient stock of single cash pieces is kept in the office.

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